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AN ANALYSIS OF THE CHART OF QUARTER

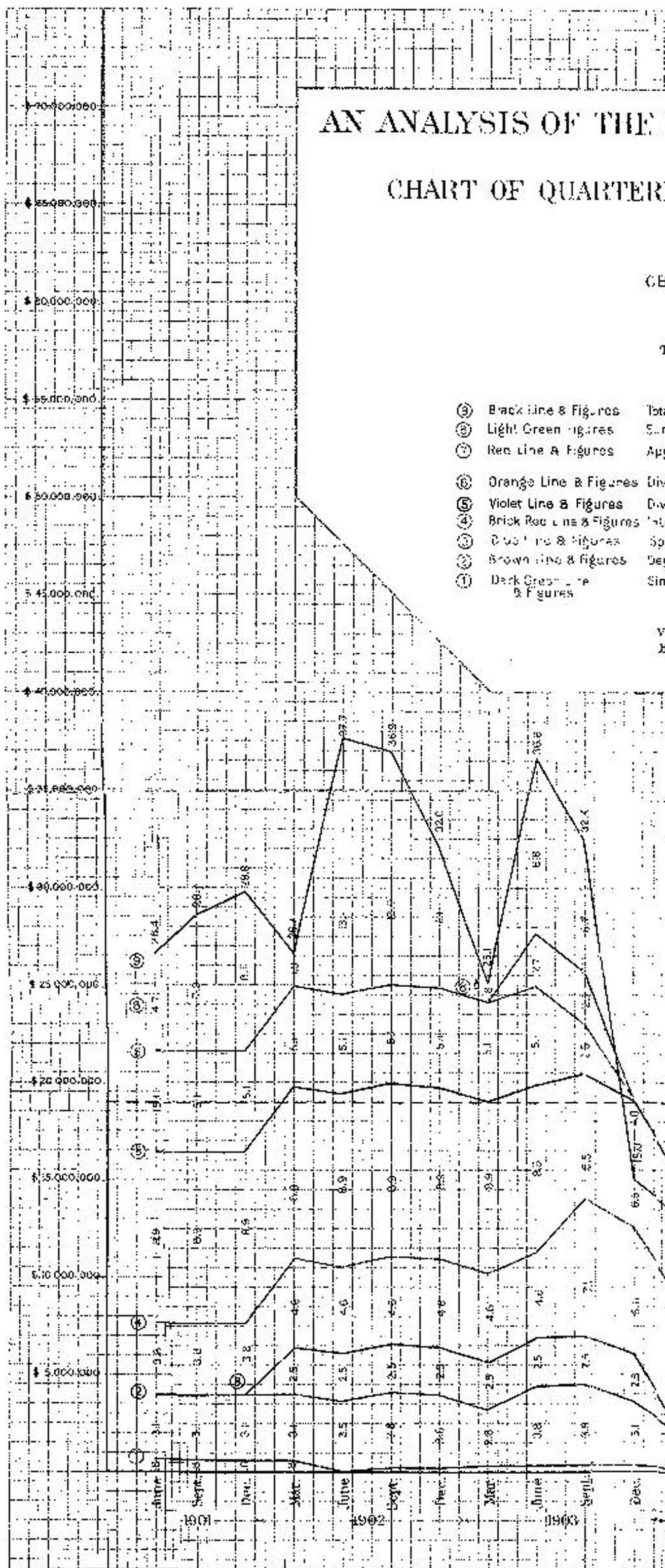
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- | | | |
|---|----------------------------|-------|
| ③ | Black Line & Figures | Total |
| ⑧ | Light Green Line & Figures | Sur |
| ⑦ | Red Line & Figures | App |
| ⑥ | Orange Line & Figures | Div |
| ⑤ | Violet Line & Figures | Div |
| ④ | Brick Red Line & Figures | Div |
| ③ | Dark Line & Figures | Sp |
| ② | Brown Line & Figures | Det |
| ① | Dark Green Line & Figures | Sin |

V

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UNITED STATES STEEL CORPORATION

WITH

QUARTERLY EARNINGS SINCE ITS ORGANIZATION

Copyright 1909

by

CHARLES WILSON TAINTOR

S. B. MASS. INST. OF TECH.

IN CHARGE OF BOND DEPT.

TUCKER, HAYES & CO., BOSTON

KEY

Total Quarterly Earnings Divided as follows:

Surplus, ② Light Green Line—Inventory Depreciation Charges for 1903-04

Appropriations for Additional Property—Construction
Discharge of Capital Obligations

Dividends on Common Stock

Dividends on Preferred Stock

Interest & Sinking Funds U. S. S. Corp. Bonds

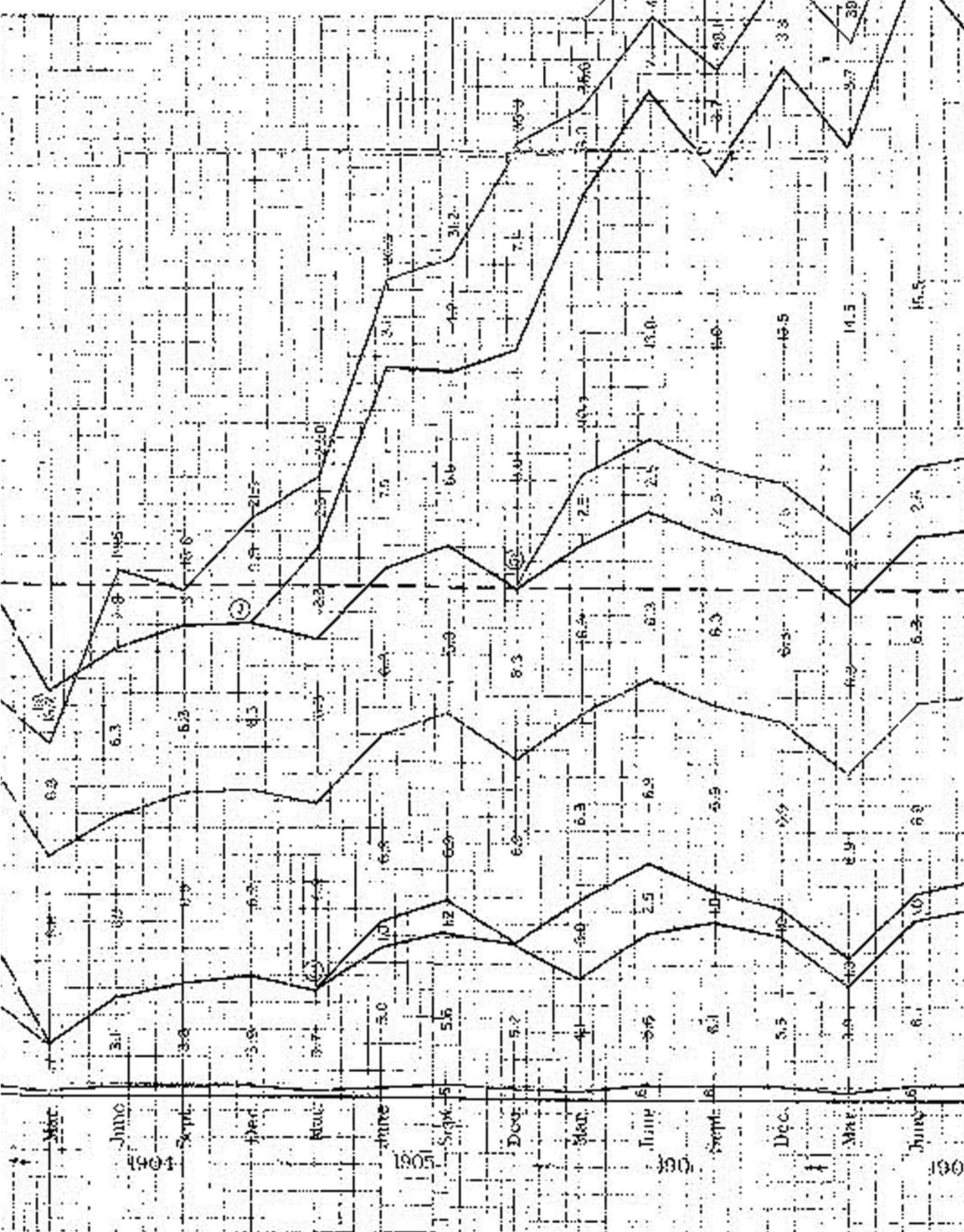
Special Improvement & Replacement Funds

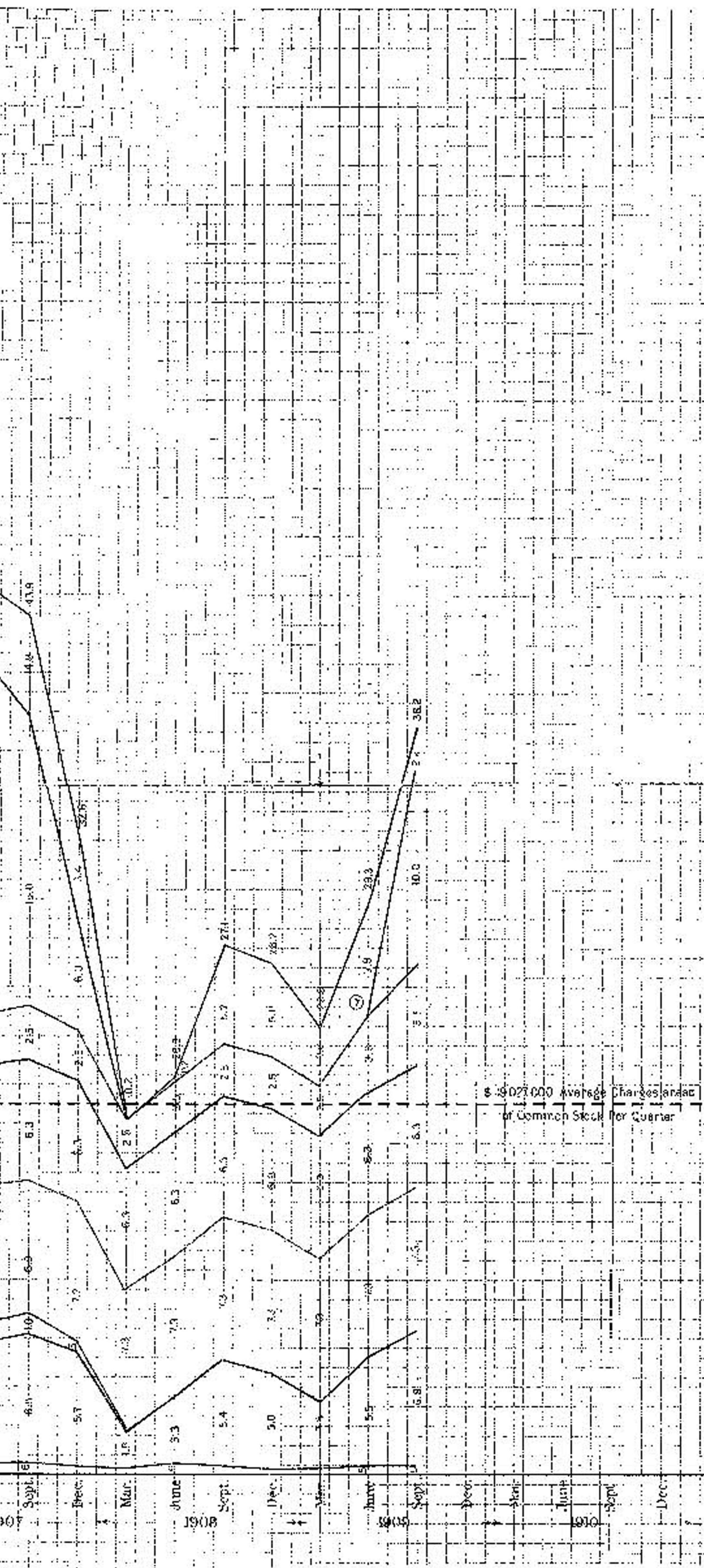
Depreciation & Reserve Funds

Sinking Funds Bonds Subsidiary Cos.

Vertical Scale 1 inch = \$5,000,000

Horizontal Scale 1 inch = 6 Months





**AVERAGE OF THIRTY THREE
QUARTERLY STATEMENTS FROM ORGANIZATION
TO JULY 1, 1909**



\$ 29,747,000 Total Earnings Per Quarter

\$ 4,192,000 Surplus Per Quarter

\$ 3,948,000 Appropriations Per Quarter for
Additional Property Construction,
and Discharge of Capital obligations.

\$ 2,589,000 Common Dividend Per Quarter
Equivalent to just over 2 % Per annum.
Earned 8.31 % Per annum.

\$ 1,019,000 Paid in Preferred Dividends Per Quarter
Amount available 2.54 times amount
required.

\$ 6,257,000 Paid in Interest & Sinking Funds on
U.S. Corp Bonds Per Quarter
Amount available 3.85 times amount
required.

\$ 1,170,000 Special Improvement & Replacement
Funds Per Quarter

\$ 470,000 Depreciation & Reserve Funds Per Quarter

\$ 470,000 Sinking Funds Per Quarter Bonds Sold at 100 %

Scale indicating the number of quarters per annum for which the above figures are calculated. For example, 12 quarters per annum is equivalent to 1 year.

32%
30%
28%
26%
24%
22%
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%

An Analysis of the United States Steel Corporation With Chart of Quarterly Earnings Since Its Organization. By Charles Wilson Taintor. Boston, 1909.

This publication by Mr. Taintor consists simply of a folder containing two large sheets printed on one side. The first page contains the accompanying statistical chart, and the second gives a brief analysis and explanation of the curves and figures on the chart.

Mr. Taintor's work is so admirably done and has received such high commendation from the best financial authorities that it seems to the writer well worth while to reproduce his chart and to include a brief review of his analysis for the benefit of those who do not have access to private publications of this sort which have only a limited circulation.

The author explains the construction of his chart as follows: "The quarterly earnings since organization are charted in millions of dollars, the total for each quarter being plotted vertically from the base line, and the points thus established being connected by a black line (this is the highest line on the Chart and indicates the variations in the Corporation's quarterly earnings). Each quarterly total is sub-divided vertically as indicated by colored figures into the various amounts corresponding to the quarterly statements of the Corporation." The chart contains also a broad vertical line divided into the same colors to show the average amounts appropriated to each purpose during the period covered.

It will be noted that Mr. Taintor has used these familiar statistical devices with excellent effect. The scale adopted and the arrangement of colors render it easy to see at a glance not only the total earnings for each quarter but just what was done with them.

It may be worth while to note in passing that the curve indicating the total earnings per quarter exemplifies by its quick and extreme fluctuations the truth of Andrew Carnegie's assertion that the steel industry is "either a prince or a pauper." The great steel corporation has been able to hold prices fairly steady, but it could not or at least did not prevent its own earnings from falling off nearly two thirds in nine months, June, 1903, to March, 1904, or from \$36,600,000 to \$13,200,000. From this low point the quarterly earnings rose by leaps and bounds to \$45,500,000 in June, 1907, or an increase of about 245 per cent. in three and one quarter years, which was followed within the next nine months by another sudden drop of \$27,300,000.

These points of low earnings came within periods of general industrial depression which affected all lines of business to a greater or less degree. They are significant for the reason already given

and because they show the rather severe tests to which this great combination has been subjected during its brief career. The corporation has weathered the storms of these two periods without material damage and has shown its great powers of resistance.

In explaining the chart the author states that the main object of the analysis is to assist in forming an opinion as to the standing of the corporation's securities, and he concludes that the bonds rank with the highest grade industrial bonds and the better grades of railroad bonds. He regards the preferred stock as one of the most desirable investments of its kind in the industrial list and predicts that the common stock will establish a good dividend record.

On the whole the record graphically presented by means of the chart seems to warrant the author's conclusions and to indicate that the corporation has been well managed. It is apparent that the tremendous earnings of this great organization have justified the optimism of its promoters whether such earnings can be in themselves justified in the final analysis or not.

The following figures for the quarters ending December 31, 1909, and March 31, 1910, may be interesting to those who would like to continue the curves on the chart.

	Dec. 31.	Mar. 31.
Sinking Fund Sub. Cos.....	.4	.3
Depreciation and Reserve Funds.....	6.1	5.8
Interest and Sinking Funds, U. S. S. Corp. Bonds	7.3	7.3
Preferred Stock Div. U. S. S. Corp.....	6.3	6.3
Common Stock Div. U. S. S. Corp.....	8.9	6.4
Approp. for Additional Property, etc.....	5.0	5.0
Reserve Fund to cover Advanced Mining Royalties	3.2*	—
Surplus	3.8	6.5
		<hr/>
Total Quarterly Earnings.....	41.0	37.6

*This is a new sub-division which evidently will not appear regularly.

C. W. D.

OCCUPATION MORTALITY STATISTICS OF NEW JERSEY.

The State Board of Health of New Jersey is making a laudable attempt to collect and compile mortality data by occupations. The classification includes 93 specific occupations the mortality data for which are separated by age and by principal causes of death. The age groups are 10-14, 15-19, 20-29, 30-39, 40-49, 50-59, 60-69, 70-79, 80-89 and over 90. The causes of death specified are consumption, pneumonia, cancer, suicide, diseases of the nervous system and of the organs of sense, diseases of the circulatory system, diseases of the respiratory system (consumption and pneumonia excepted), diseases